

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
SPEARS WATER COMPANY, INC.)	CASE NO. 93-417

O R D E R

On November 1, 1993, Spears Water Company, Inc. ("Spears") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. 807 KAR 5:067.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Spears purchases water from two suppliers, the city of Nicholasville and Kentucky-American Water Company ("Kentucky-American"). Kentucky-American is the only supplier to increase its rates for wholesale water at this time.

2. Effective August 24, 1993, Kentucky-American increased its rate for wholesale water for the first 600,000 gallons from \$1.82005 to \$1.96956 per 1,000 gallons and increased the rate for amounts over 600,000 gallons from \$1.44105 to \$1.54076 per 1,000 gallons. Kentucky-American additionally increased its service charge for a 4 inch meter from \$129.44 per month to \$146.64 per month.

3. Spears proposed to increase the rates to its customers effective November 1, 1993.

4. During the 12 months ending September 30, 1993, Spears purchased 173,382,762 gallons of water and sold 154,512,000 gallons.

5. Spears' calculations are correct and show an increase in purchased water cost of \$5,370.11, resulting in a purchased water adjustment of \$.03 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills of Spears' customers will increase from \$20.30 to \$20.45, an increase of 0.74 percent.

6. The purchased water adjustment of \$.03 cents per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

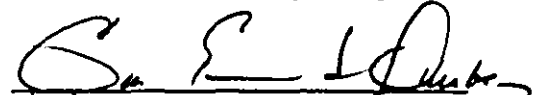
1. The purchased water adjustment of \$.03 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after November 1, 1993.

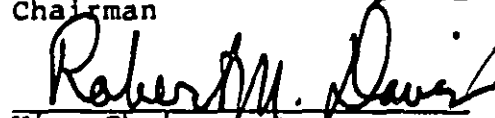
2. Spears' proposed tariff is approved as filed.

3. Within 30 days of the date of this Order, Spears shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 1st day of December, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-417 DATED December 1, 1993.

The following rates and charges are prescribed for the customers in the area served by Spears Water Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Residential

Monthly Rate

First 2,000 gallons	\$9.02 (Minimum Bill)
Next 10,000 gallons	3.81 per 1,000 gallons
Over 12,000 gallons	2.96 per 1,000 gallons

Mobile Home and/or Field

First 1,000 gallons	\$5.11 (Minimum Bill)
Next 1,000 gallons	3.81 per 1,000 gallons
Over 12,000 gallons	2.96 per 1,000 gallons